

## **INTRODUCTION**

The Government of India has introduced certain new regulations and amendments in order to bring more transparency in the working system of Companies. The summary of new amendments and its action points have been explained further in this advisory.

### **1. REPORTING OF ANNUAL RETURN ON FOREIGN ASSETS AND LIABILITIES ON FOREIGN LIABILITIES AND ASSETS INFORMATION (FLAIR) SYSTEM**

With reference to Reserve Bank of India (RBI) Circular dated 28th June, 2019, All Indian Companies which have received Foreign Direct Investment (FDI) and/or made overseas Investment in the previous year(s) including the current year, should file the annual return on Foreign Liabilities and Assets (FLA). The reporting will be done by companies via **the FLAIR portal of RBI**.

The Reserve Bank of India has developed a **new portal**, Foreign Liabilities and Assets Information Reporting (FLAIR) system (<https://flair.rbi.org.in>) for Indian companies to report the Foreign Liabilities and Assets (FLA) through a web based online reporting portal with an objective to enhance the security level in data submission and improve the data quality.

The Companies are required to register itself on this portal as a 'Reporting Entity' for submitting the return. The form will seek investor wise direct investment and other financial details on financial year basis.

### **2. SIGNIFICANT BENEFICIAL OWNERSHIP RULES- TO IDENTIFY ENTITIES CONTROLLED FROM OVERSEAS**

The new rules on significant beneficial ownership have been introduced to identify entities which have controlling person outside the country. The Rules have been formulated under section 90 of the Indian Companies Act, 2013, which provides the disclosure requirements for **significant beneficial owners** in a company.

Section 90 and the Rules notified are in line with the recommendations of the Financial Action Task Force ("FATF") for combating money laundering and the financing of terrorism.

#### **I ITALY**

Via Giovanni Falcone, 3  
41012 Carpi (MO) - Italy  
PHONE: +39 059 9770184  
FAX: +39 059 9770186

#### **I INDIA**

411, DLF Tower B, Jasola District  
New Delhi 110076 - India  
PHONE: +91 11 41525055  
FAX: +91 11 46536399  
CIN: U74140DL2007PTC172026

#### **I VIETNAM**

26-28 Ham Nghi Street  
Ben Nghe Ward, District 1  
Ho Chi Minh City - Viet Nam  
PHONE: +84 8 38248440  
FAX: +84 8 38248441

#### **I BRAZIL**

Alameda do Inga, 840  
34000 000 Nova Lima  
Belo Horizonte - Brazil  
PHONE: +55 31 32344008

Every **individual** who is a significant beneficial owner in the Relevant Company, is required to file a declaration with the Company in **Form BEN-1**.

Every Reporting Company, upon receipt of such declaration in BEN-1, shall file a return to the Registrar of Companies in **Form BEN-2**. **Last date for filing Form BEN-2 is 30th September, 2019.**

The Companies are also required to maintain a register of significant beneficial owners in **Form BEN-3**.

### **3. FILING OF DIR- 3KYC**

As per the Companies (Appointment and Qualification of Directors) Amendment Rules, every individual who has been allotted a Director Identification Number (DIN) as on 31st March of a financial year, shall submit e-form DIR-3-KYC to the Central Government.

**The Ministry of Corporate Affairs has notified the new web based eForm for DIN KYC and the due date for completion of this reporting is 30th September, 2019.**

As per a recent notification issued by Indian Ministry of Corporate Affairs (MCA), every Director who has already filed DIR-3KYC last year, will be required to complete his/her KYC through a web based verification process and those persons who have obtained Director Identification Number (DIN) on or after 31st March, 2018, they are required to file form DIR-3KYC.

#### **How can Octagona assist?**

Octagona can assist in complying with the above mentioned new requirements for a fees of INR 20,000 + GST. The fees shall be chargeable through an invoice after completion of the task. For any doubts, please feel free to contact the following:

<b>Name &amp; Designation</b>	<b>E-mail Id</b>	<b>Contact Number</b>
Mr. Vishnu Krishna (Director)	v.krishna@octagona.com	91-11-41525077
Ms. Bansari Joshi (Practicing Advocate)	b.joshi@octagona.com	
Ms. Drishti Sharma (Practicing Company Secretary)	d.sharma@octagona.com	
Ms. Niyati Chawla (Associate Company Secretary)	octagona.cs@gmail.com	
Ms. Vandana Rawat (Assistant Company Secretary)	v.rawat@octagona.com	

\*\*\*\*\*